

4sight Health Podcast
January 11, 2023

Will Generative AI Take Over Healthcare in 2024?

Burda:

Welcome to the 4sight Health Roundup podcast, 4sight Health podcast series for healthcare revolutionaries, outcomes matter customers count and value rules. Hello again, everyone. This is Dave Burda, news editor at 4sight Health. It is Thursday, January 11th. Happy New Year. I hope that everyone's 2024 is off to a great start. Our Christmas decorations are down and packed away, and the garbage truck picked up our mostly dead Christmas tree from the curb. It's all downhill now, or is it uphill? That's what we're gonna talk about on this first episode of the 4sight Health Roundup Podcast of the New Year. Our big predictions for the year ahead in healthcare, working their healthcare Ouija Boards for us today are Dave Johnson, founder and CEO of 4sight Health, and Julie Murchinson, partner at Transformation Capital. Hi, Dave. Hi, Julie. How you doing this morning Dave?

Johnson:

Dave, I've been in a very deep black hole writing, and I just looked up and noticed it's January 11th and I haven't shoveled snow yet. It's barely been above freezing. Lots of rain, cloudy all the time. I just wanna know when Chicago became Seattle. Julie, maybe you can figure that out for me. <Laugh>.

Burda:

That's a good question. Thanks, Dave. Julie, you have an answer, and how are you doing?

Murchinson:

Well, I just spent the week at JP Morgan. Well, out of any kind of hole. Dave and San Francisco had Seattle weather because it was JP Morgan, of course. So, you know, rain clouds snow everywhere.

Burda:

Yeah. How, how, how was the conference? Same as always better than usual,

Murchinson:

You know, more same, but a lot of people from the healthcare services and digital health world are still going, so plenty to do. Plenty to see.

Burda:

Good to hear. Thanks, Julie. Now before we talk about what's ahead for healthcare in 2024, I wanna wrap up your holiday experience. Dave, what was the best, worst, or most interesting gift you received this year?

Johnson:

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you know, I, I used to be a bigger tennis fan than I am now, and I remember watching Stephan Edberg, the fantastic Swedish tennis player, win a big tournament, and they were interviewing him afterward, and he said, happiness is a modest thing, which I've always carried with me, believe it's right. And so this year my favorite gift was a, was a puzzle board, got four pullout drawers. It's got a cover so that we can put it on so our cats don't disturb all our hard work. And I just I just think my new puzzle board is modest, but it definitely makes me happy. So go Stephan Edberg.

Burda:

No, that, that's great. Thanks Dave. Julie, how about you? What was the best, worst, or most interesting thing you received this year?

Murchinson:

Well, I think I'm becoming, I mean, maybe too easy to read or too predictable, but I carry a water bottle every day with me. I drink a lot of water, and this year I received two water bottles, <laugh> <laugh>. So I think people are reading me and who I am, and you know what I need. It's funny. Yeah.

Johnson:

How many, how many more did you pick up at the JP Morgan conference? <Laugh>.

Murchinson:

<Laugh>. I'm having a hard time transitioning to the new water bottle, though, so I don't know. It's been, it's been a thing.

Burda:

Good. Stay hydrated. Thanks, Julie. I'll go most interesting, and it was a ring doorbell from my kids. Our doorbell has never worked for the 30 years that we've been in this house. Now I see and hear everything that goes on right in front of my house, including getting alerts from other Ring doorbell users in my neighborhood. Now I know at the expression, ignorance is bliss means I hope it doesn't turn me into another Gladys Kravitz when I retire. <Laugh> and those of you who watched Bewitched when it was on, we'll get that reference. Dave, you remember Gladys Kravitz, right?

Johnson:

<Laugh>? I do. And I often wish I could just wrinkle my nose and be in a different place. <Laugh>.

Burda:

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All right. That's a, that's a good transition to what we're gonna talk about you know, what will we get from healthcare in 2024? That's the question. Dave, give me your big prediction for healthcare this year and maybe a runner up or two.

Johnson:

Well, gen AI was my big story for 2023. I also think it's gonna be the big story for 2024. So I'll talk a little bit about that as well as crispr, and then end with some big picture philosophy questions. How's that? How's that as a way to start the year? Sure,

Burda:

Sure.

Johnson:

Anyway, this week when I wasn't writing, I happened to listen to a fascinating discussion between Scott Galloway from NYU Stern School, and Mustafa Solomon, the co-founder of DeepMind, the AI company acquired by Google. And they were talking about gen AI and the world economy and what, you know, history and everything else. Big, big picture discussion. I'm a huge Galloway fan. And follow his blog, no Mercy, no Malice. He was the author of the book the four from 2017 that really opened new thinking on Amazon, apple, Facebook, and Google. He somehow missed Microsoft, but that was before Nadella got there, so you can forgive him for that. Anyway, Mustafa made, I thought some really interesting points about Gen ai. He said, it's unlike any paradigm shifting general purpose technologies. Those are ones that change the world, <laugh> you know, like the wheel. So first he's saying it is A-G-P-T but he says it's different because it can independently improve. It doesn't necessarily follow instruction by design, which means that it can act autonomously and doesn't necessarily follow human instruction. So for all these reasons, he thinks that means we should be paying proactive attention to this particular technology, gen ai, and be as thoughtful as we can. Now, in terms of regulation and guardrails before it you know, develops too much further you know. Galloway kind of a cynical guy by nature, which probably makes him more insightful. I think he thought Mustafa was being a little overly dramatic. He used the word techno narcissism at some point. You know, both agreed that the technology has unprecedented potential benefits, but also problems. And Galloway identified three problems misinformation. And he's really worried that, that Putin and company will do a number on us during the 2024 election. That's something to think about. He's also worried about loneliness, particularly in young men. Evidently searches for ai girlfriends are just exploding. And then the last thing is job destruction. And of those three, he was least worried about job destruction. He thinks the concern is overblown. Historically, we've always adapted to new technologies that have taken away jobs, and he's reasonably confident that will happen again. And this is where it got interesting. 'cause Mustafa wasn't having any of that. He thought if Galloway was so concerned that the machines are good enough to replace jobs now to become our significant others and to do deep takes on

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us in the political realm why in the world would he not think that the machines could outrun human beings who tried to retool themselves into new professions? Because that's hard enough to do already. And the machines themselves do it in an almost organic way, and they keep getting better and faster at it. You know, intelligence is power. So with that note, let's shift over to crispr. My holiday reading included Walter Isaacson's, phenomenal book, the Code Breaker about Jennifer Doudna from Berkeley, who is one of the principal developers at CRISPR and won the Nobel Prize for it a few years ago. And I guess what struck me about the book as I was going through it is that in terms of science, we've become almost as good at genetic engineering and editing genetic code, as we have at editing computer code. I mean, you can actually go online now and for 99 bucks by a kit that will genetically engineer frog's legs to double their size. And so, you know, in all the talk about Gen ai, we're sort of forgetting or not paying as much attention to this also incredible progress that's being made in genetic engineering. And this is where I'm gonna shift now to kind of a big picture, philosophical discussion. You know, the big sort of novels in the mid 19 hundreds about the Future Society were, were by authors like George Orwell, you know, 1984 animal Farm, the Time Machine, and all this Huxley, brave New World, which was actually about genetic engineering. And underlying those books which were all best sellers, was the belief that the biggest threat to mankind was application of these technologies by totalitarian regimes. And we certainly have that concern today when you look at China and Russia and so on. But there's an equivalent concern about just having the free market decide who gets access and who doesn't to these technologies, particularly the genetic ones, because they could permanently re-engineer a smarter, better looking, more athletic class of people. And so these questions about what we do and how we manage these technologies in ways that they don't further increase are already gaping inequality not only in this country, but but throughout the world is a really important question. And I guess I'm with Mustafa on this. We need to be thinking proactively now about the guardrails about the regulation. And nowhere is that more true than in and than in healthcare.

Burda:

Man, that makes my ring doorbell story look pretty sad, right? <Laugh>. It's like, it's like a can opener <laugh> compared to what you're talking about. Wow. Thanks Dave. Julie, any questions for Dave?

Murchinson:

That's a lot. Dave, you know, on the AI front gey also talks about how so much funding went into AI last year. I think you said something like four and five American unicorns, or now AI related or something. So what do you think is gonna happen with AI this year in terms of its impact on the economy versus its impact on now end customers and you know, those who it will affect? Where, where will you see a bigger effect?

Johnson:

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I have no evidence to back this up, but I'm, I'm increasingly convinced the reason we didn't go into recession last year and likely won't this year, is because of the productivity boost that we've gotten from Gen ai almost from inception, that's unprecedented in modern economic history. I mean, it took 10 years for the PCs to have an impact on productivity in the US. They were actually negative for a while because it took people some time to, to figure out how to use them. So I, I think that AI will continue to get better, will continue to, to grind away. It's it's gonna figure out how to let us write in word without all these kind of stupid corrections that it makes now <laugh> So I think both are gonna happen. We're gonna get productivity improvement and the user experiences will get better. The question is, when does AI really start to take jobs away? And I think that will probably start this year as well.

Burda:

Wow. Thanks Dave. Julie, now it's your turn. Tell us about your big prediction for healthcare in 2024 in maybe one or two runners ups, or is it runners up? Dave, is it runner ups or runners up

Johnson:

<Laugh>? I think it's s apostrophe if it's more than one,

Murchinson:

I think it's runners up.

Burda:

Runners up. Okay. All right. We'll see. We'll see if word corrects that. All right. <Laugh>, go for it. Julie, what's, what's in your crystal ball?

Murchinson:

Well like Dave, I looked back at last year and last year I talked about Medicare because we were expected to cross over to having the majority of our Medicare eligibles on MA and pharmacy, Ben Benefit Management. And I didn't predict that we would see tightening and Medicare advantage, but I did say it was gonna be dear Medicare. So there's something there. And on the PM side, actually Blue Shield came out with their huge announcement, and Capital RX did a multi-system, co-investment that hit health systems with the Splash. And Amazon got in the game with Mark Cuban in partnership around Blue Shield. Like a lot happened in the PBM. So, you know, I like it when predictions sort of work. So, you know, I love to talk about technology, so it's hard for me to avoid that related prediction. And if 2023 was the year of ai, as Dave said, or of GPT in general 2024 will be the year of GLP ones, ozempic, majaro all the weight loss. And while it feels like a huge splash in 23 for them health systems just can't innovate fast enough for this disruption coming their way with this. I think more than 70% of our nation is obese or overweight, and that prevalence has tripled over the last 50 years, and the cost is almost \$2 trillion. So while today the zip codes with the greatest penetration of GLP ones are the most fit,

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like Manhattan and Ia, the drug is mostly really gonna impact those who need it. And if we can get those drugs to the right people as more come to market as supply evens out, we're gonna see major impacts, not just in pharma doing well, but I think in health systems really getting hit in the bariatric surgery side. I just talked to a physician this week who owns a weight loss company that's focused on just, you know, meal, food and exercise control. She's worried about their practice. So I think health systems and providers will be hit here in a big way. And I don't think that you know, we're gonna see toast or McDonald's or some of those you know, food companies impacted in 24, but it's coming, that's for sure. What's what McDonald's gets hit a few of my runners up, runner ups, runners up, Dave <laugh>

Burda:
I'll take, I'll accept either answer. <Laugh>

Murchinson:
<laugh>, I've said this before, but I think voice is coming, but I don't think healthcare will see the big hit in 24, but voice is coming on the workforce front. My prediction is that you know, the digital innovation here has also not been fast enough, but those places where workforce is really suffering, like in medical coders, workforce is really suffering. Those are jobs where AI can actually really do something. And I think we'll see AI take an effect in medical coders, for example, other jobs, nurses, you know, patient care. It's gonna take a lot. And we're seeing increases in roles like community health workers really increase. So I think we're gonna, I predict we're gonna throw humans at the problem in a big way in 24 where we can, which is gonna create more cost problem. But we will see tech takeover in some places. And then last but not least, in my very fun prediction,

Burda:
Let's hear it

Murchinson:
I think the, the psychoactive drug treatment will start to become

Johnson:
<laugh> mushrooms, Baby

Murchinson:
Mushrooms, that's right. More mainstream discussion, you know, mushrooms, apparently Dave knows what he is talking about. Ketamine psilocybin, that's what that is. Mushrooms to treat behavioral health. And I don't predict that we'll see these widely reimbursed in 24, but employers are already making them available as a benefit to employees because they're doing

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anything they can around behavioral health. So I think we're gonna start to see this more in the mainstream.

Burda:

Wow. That, that's, that's fascinating. That, that's great. Thanks Julie. Dave, any questions for Julie? There's a lot to choose from there.

Johnson:

<Laugh>. Yeah. Where's Timothy Leary when you really need him? I'm gonna go back to the GLP ones 'cause that, that really is, is fascinating. Clearly the healthcare system is overmatched when it comes to trying to reverse our epidemic of chronic disease. And I guess my question for you is as we get more manufacturers, as these drugs come into the marketplace, as the price comes down, is this particular technology and others that reinforce it gonna be the one that becomes our way to pursue more of a ProHealth agenda in this country?

Murchinson:

Yeah, it's a good question because <laugh>, the, the impact on people I've known who've taken these drugs, it's like a night and day experience, and you read about what people find they can do with their lives that they never thought they'd ever do again. Yeah. So I do think it's an awakening, perhaps in a different way than psilocybin <laugh>, but it's an awakening that could really shift how we think about how we lead our daily lives. However, I, even though I put it in a tech, in the technology category, it is a drug. And I think because Americans like to be able to, to hit the easy button and take something that allows 'em to continue to eat McDonald's, maybe they'll eat less McDonald's, but they're still gonna eat McDonald's. Yeah. So I, I'm a little bit afraid that it's not really about the health revolution. I think it's the easy button revolution.

Burda:

Yeah it'll be interesting to see. My prediction and I think it's an easy one to make. And that's we're gonna see an unprecedented level of state and federal regulation this year. And I wrote a column last month that said we're in the golden age of healthcare regulation, and I don't think we've seen anything yet. And that's what happens when you misbehave or people think you're misbehaving, right? So everything will be <laugh> in the federal register. So there you go. Now let's talk about other big news that happened this past week. Julie, anything else we should know about?

Murchinson:

Well, you might have seen that Amazon launched a health monitoring program with Omada. And this is pretty interesting to me because this is really a ADA getting more visibility to consumers for its product through the Amazon channel. But Amada has to be a covered benefit for the Amazon consumer, I mean, prime member to be able to use Amada. So it's almost

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acting like a bit of a navigation tool to let those know who have the benefit that, hey, this is something you have by the way, so use it if it applies to you. And there's a screening tool to see if you're eligible and it's hyper convenient because it's right there. So interesting first step for these two.

Burda:

Yeah. Really consumer oriented. That's great. Thanks Julie. Dave, what other news caught your attention this past week?

Johnson:

Well, one thing that really caught my attention was a study in JAMA on medical error. The study looked at 2,500 medical records of patients who either died or went into the ICU across 29 academic medical centers, and the results weren't good. 23% of these 2,500 patients had a medical error. 18% of that 2,500 experienced temporary or permanent harm because of that error. And of this group, 863 ultimately died and in 7% of those cases, the error was a contributing factor in the patient's death. First do no harm not so much. We got some work to do,

Burda:

Take your weight loss drugs and stay out of the hospital.

Johnson:

Yep. Right. <Laugh>

Burda:

There you any, if you take anything away from this podcast, I think that might be it. That's great. Thanks Dave, thanks Julie. That is all the time we have for today. If you'd like to learn more about the topics we discussed on today's show, please visit our website at 4sighthealth.com. And don't forget to tell a friend about the 4sight Health Roundup podcast. Subscribe now and don't miss another segment of the best 20 minutes in healthcare. Thanks for listening. I'm Dave Burda for 4sight Health.